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Special:

Circular Letter

TO: CONTRACTING EMPLOYERS, COUNTY SUPERINTENDENTS OF
SCHOOLS, AND INDIVIDUAL SCHOOL DISTRICTS

SUBJECT: REPORTING OF TEMPORARY DISABILITY PAYMENTS

The California Public Employees' Retirement System (CalPERS) is finding that employers are unsure whether or not to report temporary disability payments for their employees.

Temporary disability payments for miscellaneous members do not meet the definition of "compensation" and should not be reported to CalPERS. Temporary disability payments for safety members, other than industrial disability leave payments made pursuant to Labor Code Section 4850, also are not reportable to CalPERS (California Government Code Section 20630).

Time off using leave credits (i.e., vacation and sick leave) is reportable to CalPERS. Leave credits should be reported using the member's normal pay rate. Earnings that correspond to the amount of leave being used are not to exceed the full time equivalent. Leave credits used in conjunction with or to supplement disability payments should be reported to CalPERS in this same manner.

If you have any questions, please contact our Employer Contact Center at (888) CalPERS (225-7377).

Lori McGartland, Acting Chief
Actuarial and Employer Services Division

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